

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: P-40

(herein "Subject Drilling Unit")

DOCKET NO. VGOB-93/02/16-0330

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for the subject Docket on December 30, 1993 and recorded at Deed Book 417, Page 378 in the office of the Clerk of Grundy District, Buchanan County, Virginia on January 7, 1994 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a) The Board Order directed Pocahontas Gas Partnership (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailing dated January 18, 1994 disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated January 18, 1994 in accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more

Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit A.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow.

3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said Affidavits to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed within seven (7) days from the date of receipt of this Order to each person whose interest or claim is subject to escrow and whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 29th day of June 1995, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 29th day of June, 1995, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett
Susan G. Garrett
Notary Public

My commission expires 7/31/98

DONE AND PERFORMED this 30th day of June 1995 by Order of this Board.

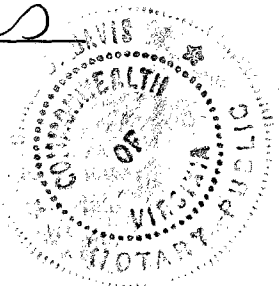
Byron Thomas Fulmer
Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 30th day of June, 1995, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires 9/30/97



VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in Unit Number P-40, VGOB Docket No. 93-0216-0330 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF Pocahontas Gas Partnership (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington (herein Affiant), being first duly sworn on oath, deposes and says:

1. That your Affiant is employed by Consol, Inc. and assigned to Pocahontas Gas Partnership, the Designated Operator, at its office located at P.O. Box 947 Bluefield, VA 24605, that your Affiant is the Designated Operator's Permit Specialist, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on December 30, 1993, by the Virginia Gas and Oil Board regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, your Affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that annexed hereto and incorporated herein are copies of the letters of transmittal, receipts for certified mail, and return receipts pertaining to said mailing;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on January 7, 1993.
5. That the Designated Operator, Pocahontas Gas Partnership, has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:

None.
6. That the interests and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia;

See Attachment A

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interests and/or claims which are not subject to escrow and should, therefore, be dismissed as Respondents:

See Attachment B

8. That pursuant to the provisions of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth and identifies the conflicting claims and/or interests which require escrow of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.;

See Attachment C

Dated at Bluefield, Virginia, this 23rd day of June, 1995.

Leslie K. Arrington
Affiant

Taken, subscribed and sworn to before me by Leslie K. Arrington, the Permit Specialist, of Pocahontas Gas Partnership, a corporation, on behalf of the corporation, this 23rd day of June, 1995.

My commission expires: 11/30/95
Sheri R. Scott
Notary

EXHIBIT A

VGOB-93/02/16-0330

Unleased Owners and Potential Owners of Methane GasUnit P-40I. Oil and Gas Fee Ownership12.36 acre tract:

- | | | |
|----|--|--|
| 1. | P. J. Brown Heirs: | 12.36 acres - 15.450%
(Unleased 0.015 acres - 0.020%) |
| a. | Virginia Brown Palmer
1535 Oak Ridge Drive
Salisbury, NC 28146 | 0.003 acres - 0.004%
(0.00026455 x 12.360 acres) |
| b. | Benjamin Patton Brown
Rt. 1, Box 143A
Pounding Mill, VA 24537 | 0.003 acres - 0.004%
(0.00026455 x 12.360 acres) |
| c. | Charles Henry Brown
P.O. Box 1093
Bristol, VA 24203 | 0.003 acres - 0.004%
(0.00026455 x 12.360 acres) |
| d. | William David Brown
6 South Park Avenue
Millville, NJ 08332 | 0.003 acres - 0.004%
(0.00026455 x 12.360 acres) |
| e. | Eugene L. Brown, Jr.
Rt. 3, Box 144
Tazewell, VA 24651 | 0.003 acres - 0.004%
(0.00026455 x 12.360 acres) |

44.74 acre tract:

- | | | |
|----|---|--|
| 2. | Kyle Robinson
Box 100
Whitewood, VA 24657 | 8.31 acres - 10.387% |
| 3. | Norfolk Southern Railroad
8 North Jefferson Street
Roanoke, VA 24042-0026 | 1.09 acres - 1.362%
2.04 acres - 2.550%
0.53 acres - 0.663%
5.76 acres - 7.200% |
| 4. | W.B. McDonald
30 Rolling Hills
Hager Hill, KY 40122 | 17.25 acres - 21.562%
0.01 acres - 0.013% |

EXHIBIT B

VGOB-93/02/16-0330

Dismissed Respondents

Unit P-40

I. Coal Fee Ownership

1. Dewey Cole Heirs 3.01 acres - 3.763%
c/o Margaret Cole
General Delivery
Whitewood, VA 24657
(Purchased by Reserve Coal Properties 2/2/94)

II. Coal Leasehold Ownership

1. Island Creek Coal Company 0.06 acres - 0.075%*
Virginia Division
Drawer L
Oakwood, VA 24631
(Assigned to PGP 7/1/93)

*NOTE: The lease to Island Creek Coal Company is for all coal below the Tiller seam of coal. The Pocahontas No. 3 seam of coal is subleased to Consolidation Coal Company.

44.74 acre tract:

2. Dewey Cole Heirs 2.87 acres - 3.588%
c/o Margaret Cole
General Delivery
Whitewood, VA 24657
(Purchased by Reserve Coal Properties 2/2/94)
3. Charles Presley 0.66 acres - 0.825%
General Delivery
Whitewood, VA 24657
(Purchased by Reserve Coal Properties 2/2/94)
4. Major Kidd 0.02 acres - 0.025%
General Delivery
Whitewood, VA 24657
(Leased to PGP 2/12/93)

3.01 acre tract:

5. Dewey Cole Heirs 3.01 acres - 3.763%
c/o Margaret Cole
General Delivery
Whitewood, VA 24657

Exhibit B
VGOB-93/02/16-0330
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III. Oil and Gas Leasehold Ownership

12.36 acre tract:

1.	Cabot Oil & Gas Corporation	0.057 acres	-	0.071%
	Three Gateway Center	0.057 acres	-	0.071%
	Suite 2000	0.114 acres	-	0.142%
	Pittsburgh, PA 15222-1011	0.114 acres	-	0.142%
	(Lease expired)			

IV. Coalbed Methane Leasehold Ownership

1.	Cabot Oil & Gas Corporation	0.057 acres	-	0.071%
	Three Gateway Center	0.057 acres	-	0.071%
	Suite 2000	0.114 acres	-	0.142%
	Pittsburgh, PA 15222-1011	0.114 acres	-	0.142%

EXHIBIT C
VGOB-93/02/16-0330
Conflicting Ownership Claimants

Unit P-40

44.74 acre tract:

Coal Owners

- | | | |
|----|---|-----------------------|
| 1. | Hurt & McGuire Heirs
c/o Charles Green
1805 1/2 Jefferson Avenue
Bluefield, WV 24701 | 44.74 acres - 55.925% |
|----|---|-----------------------|

Oil and Gas Owners

- | | | |
|----|---|--|
| 2. | Reserve Coal Properties
1800 Washington Road
Pittsburgh, PA 15241 | 6.20 acres - 7.750% |
| 3. | Reserve Coal Properties
1800 Washington Road
Pittsburgh, PA 15241 | 2.87 acres - 3.588% |
| 4. | Kyle Robinson
Box 100
Whitewood, VA 24657 | 8.31 acres - 10.387% |
| 5. | Reserve Coal Properties
1800 Washington Road
Pittsburgh, PA 15241 | 0.66 acres - 0.825% |
| 6. | W.B. McDonald
30 Rolling Hills
Hager Hill, KY 40122 | 17.25 acres - 21.562%
0.01 acres - 0.013% |
| 7. | Norfolk Southern Railroad
8 North Jefferson Street
Roanoke, VA 24042-0026 | 1.09 acres - 1.362%
2.04 acres - 2.550%
0.53 acres - 0.663%
5.76 acres - 7.200% |
| 8. | Major Kidd
General Delivery
Whitewood, VA 24657 | 0.02 acres - 0.025% |

17.50 acre tract:

Coal Owner

- | | | |
|----|---|--|
| 1. | Franks Estate <i>et al.</i> | 17.50 acres - 21.875% |
| a. | Reserve Coal Properties
1800 Washington Road
Pittsburgh, PA 15241 | 8.75 acres - 10.9375%*
(1/2 of 17.50 acres) |

*NOTE: Reserve Coal Properties owns 1/2 interest in the Jawbone seam of coal and below.

Oil and Gas Owner

2. Franks Estate et al. 17.50 acres - 21.875%
- a. Ron Clyborne 8.75 acres - 10.9375%
c/o First National Bank (1/2 of 17.50 acres)
Trust Department
P.O. Box 1559
Bluefield, VA 24701

0.15 acre tract:

Coal Owner

1. Joe Smith 0.15 acres - 0.187%
P.O. Box 288
Cedar Bluff, VA 24609

Oil and Gas Owner

2. Reserve Coal Properties 0.15 acres - 0.187%
1800 Washington Road
Pittsburgh, PA 15241

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 7th day of July, 1995, at 2:05 P. M.
Deed Book No. 437 and Page No. 549. TESTE: James M. Bevins, Jr., Clerk
Returned this date to: D m m E TESTE: [Signature] Deputy Clerk
mailed P.O. Box 1416
Abingdon, Va